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Market Development Reports

ASEAN* MARKET WATCH - Revised

2000

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Report Highlights:

**Food Ingredients Asia 2001 - Southeast Asia Seafood Show, June 26-28, 2000 -
Economic Growth and Inflation Forecasts - Retail Forecasts - Singapore's Food
Hygiene Monitoring Program - Singapore Official Comments on Safety of GM Foods -
Restaurants Asia Magazine Rates Singapore For Restaurant Start-ups and
Headquarters - Japan-Singapore Free Trade Agreement - Cyber Rice Trading Site to
Go On-line in September - Internet Usage - Singapore's Consumer-Oriented Food
Products Trade Linkages**

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report

Singapore [SN1], SN

* Association of Southeast Asia Nations.

Members: Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia
the Philippines, Singapore, Thailand and Vietnam.

TABLE OF CONTENTS

	Page
Food Ingredients Asia 2001	3
Southeast Asia Seafood Show, June 26-28, 2000	3
Economic Growth and Inflation Forecasts, Selected ASEAN Countries	4
Retail (Food & Non-Food) Forecasts for Selected ASEAN and Other Asian Countries	5
Singapore's Food Hygiene Monitoring Program, A Regional Service	6
Singapore Official Comments on Safety of GM Foods Sold in Singapore	6
Restaurants Asia Magazine Rates Singapore For Restaurant Start-ups and Headquarters	7
Japan-Singapore Free Trade Agreement to Include Food Safety Standards	7
Cyber Rice Trading Site to Go On-line in September	7
Internet Usage in Selected ASEAN Countries	8
Singapore's Consumer-Oriented Food Product Trade Linkages	8

Food Ingredient Asia 2001

Mark your calendars for the Food Ingredient Asia (FIA) show, to be held in Singapore May 22-24, 2001. The Association of Southeast Asia Nations' (ASEAN) Free Trade Area (AFTA) is spurring the development of ASEAN's food manufacturing industry. Prior to the Asian economic crisis (1991-96), U.S. exports of bulk agricultural and intermediate products to the ASEAN's ten members were growing at an average annual rate of 20 and 23 percent, respectively. The doom of the financial crisis has given way to renewed optimism and the food industry is recovering. U.S. sales opportunities for food ingredients will eventually return to growth levels experienced prior to the crisis. FIA, held every two years, is the only food ingredient show held in Southeast Asia. For more information, contact Miller Freeman Pte. Ltd., Tel: (65) 294-3360 or Fax: (65) 299-9782.

Source: ATO Singapore

Southeast Asia Seafood Show, June 26-28, 2000

Diversified Business Communications (DBS) organizer of seafood shows and exhibitions in Europe and the United States (Boston and San Francisco) has selected Singapore as its Southeast Asia venue. Billed as the only event which brings together seafood and seafood equipment buyers and sellers throughout Southeast Asia, it will feature live, fresh, frozen, smoked, canned, branded and value added seafood products. Southeast Asia, where over 500 million consumers eat the sixth highest (per capita) amount of seafood in the world, is considered by DBS to be an untapped market. The majority of the visitors are expected to come from Indonesia, Malaysia, Vietnam, Thailand, Singapore and the Philippines. You can visit the show website at www.singaporeseafood.com.

Southeast Asia Per Capita seafood consumption at a glance:

Country	Pounds
Singapore	81.1
Philippines	79.6
Malaysia	60.6
Thailand	56.0
Indonesia	34.4
Vietnam	29.5
ASEAN	56.9
USA	48.1
World Average	28.7

Source: The New Asia Cuisine and Wine Scene, May/June, 2000 (www.asiacuisine.com.sg)

Economic Growth and Inflation Forecasts, Selected ASEAN Countries

-----Economic----- ----					----- Inflation----- --		
	1999	2000	2001		1999	2000	2001
	(%)	(%)	(%)		(%)	(%)	(%)
Malaysia	5.4	6.8	6.5		2.8	2.0	3.0
Singapore	5.4	6.0	6.0		0.0	1.5	2.0
Thailand	4.2	4.5	5.0		0.3	2.5	3.5
Philippines	3.2	3.8	4.5		6.6	5.0	6.0
Indonesia	0.0	2.0	4.0		25.0	5.0	8.0

Source: Barclays Bank

Retail (Food & Non-food) Forecasts for Selected ASEAN and Other Asian Countries

	1999	2001	2003	Growth
	-----US\$ Billion----- ---			(1999-2003)
	(at constant 1998 Prices)			(%)
Japan	1,406.0	1,357.0	1,377.0	-2.1
India	207.5	242.5	280.2	35.0
South Korea	59.9	65.0	70.4	17.5
Hong Kong	35.7	40.2	44.8	25.5
Taiwan	40.1	43.8	46.8	16.7
ASEAN, of which:				
Philippines	34.5	39.3	43.9	27.2
Thailand	37.6	40.2	42.9	14.1
Malaysia	14.3	15.7	16.9	18.2
Singapore	13.2	14.8	16.4	24.2

Source: Euromonitor

Singapore's Food Hygiene Monitoring Program, A Regional Service

Singapore's Productivity and Standards Board (PSB) has a voluntary Food Hygiene Monitoring (FHM) Program to help food service establishments monitor the microbiological safety of served foods. The program, is implemented by PSB's Chemical and Microbiological Test Center (CMT) which serves as a one-stop service center for food testing, evaluation, consultancy and training for the food service industry.

The voluntary FHM program has four objectives: (1) insurance of microbiological quality of food served; (2) identification of prepared food types which are more vulnerable to bacteria proliferation; (3) monitoring of hygiene and sanitation practices and (4) control of microbiological quality to prevent food poisoning. The program consists of food sampling for bacteria, testing, kitchen audits and on-premise staff checking and training, with microbiologists making random checks.

PSB is offering its services to the ASEAN region. CMT has in fact set up facilities in Bangkok, where several hotels have expressed interests in its services. PSB is looking into setting up similar facilities in other countries within the region.

Source: Restaurants Asia, May 2000.

Singapore Official Comments on Safety of GM Foods Sold in Singapore

The following statement describes Singapore's official genetically modified (GM) food policy and why GM foods currently on the market are considered safe:

"A genetically modified (GM) food crop is only approved and allowed onto the world market after very rigorous tests, carried out over many years, have shown that the GM food is safe for consumption. The developed nations in particular, have advanced laboratories to carry-out stringent science-based procedures for testing the GM foods and for conducting risk assessment on them. Being equally concerned with food safety for their populations, they test the food and satisfy themselves that such genetically modified food crops are indeed safe before they allow them into their countries.

The Genetic Modification Advisory Committee (GMAC), Singapore's watchdog on genetically modified organisms, evaluates the tests carried out by them and satisfies itself that the GM food currently available have been scrutinized stringently in accordance with our procedures. There is, therefore, a two-step evaluation: first, by the exporting countries and second, by our GMAC, before we accept that a GM food is safe.

As for labeling of genetically modified foods, it is important that our requirements be in line with the rules adopted internationally. In this regard, we are watching international developments closely."

Source: Strait Times, 30 May 2000

Restaurants Asia Magazine Rates Singapore for Restaurant Start-ups and Headquarters

“Right now, we have had our choice about where to open a restaurant in Asia, Singapore would be at the top of the list. A well-trained and English speaking workforce – a tremendous variety of real estate (shop houses, modern office towers, hawker centers, shopping malls, water front tourism spots and on and on) and a government that really assists the business community all make for compelling reasons to operate or headquarter your business out of the country.”

Frank William Rocco, Founder and Publisher, Hong Kong.

Source: Restaurants Asia, May 2000

Japan-Singapore Free Trade Agreement to Include Food Safety Standards

Singapore and Japan in December 1999 proposed to set up a bilateral free trade pact. In March 2000, the two countries launched a joint study on creating the pact. In early May 2000, the Japanese International Trade and Industry Minister proposed the pact include cooperation for handling services involving information technology and mutual recognition of food safety standards, as well as those for chemicals. The two governments hope to have an agreement ready for signature at a bilateral meeting in Singapore in November 2000.

Source: ATO Singapore

Cyber Rice Trading Site to Go On-line in September

Singapore-based “Commodities on Line Pte. Ltd.” in partnership with Fabio Galardi, a 21-year veteran of the rice industry is designing an internet based service specifically for rice trading, irice.net. Their goal is to capture 10 percent of the global market within three years, first focusing on rice from major exporters such as Thailand, Vietnam, China, the U.S., India, Pakistan, Argentina and Uruguay.

Each country will have uniform contracts with the acceptance of suppliers. Buyers and sellers will negotiate deals on the site on an anonymous basis and in private. Names will only be revealed once the transaction is completed. The seller oriented site will provide links to insurance, shipping and banking facilities; news and information on port conditions, trade data, weather and currencies. No fee will be charged for enrollment. A one-time commission of 0.75 percent will be charged. Galardi sees the site as a facilitator for trading companies.

Source: ATO Singapore

Internet Usage in Selected ASEAN Countries

	Internet	Population
	Usage	1998
		--million--
Singapore	8.0+%	3.2
Malaysia	6.0 %	22.2
Indonesia	2.0%	203.7
ASEAN Average	2.5%	500.3

Source: Intel IndonesiaCorp, Worldwide

New Report Available: Singapore's Consumer-Oriented Food Product Trade Linkages

This report (available on FAS' website: www.fas.usda.gov) looks at Singapore's trade linkages to the Southeast Asia region, how they have changed over time and future expectations. The report is based on a review of Singapore's trade data, interviews with the food trade and the results of a trade focus group discussion.

Source: ATO Singapore

END OF REPORT